

Innovation (<https://www.investing.com/news/innovation>) Cryptocurrency (<https://www.investing.com/news/cryptocurrency>)

Trade binary options with

share this



Meet the next "UBER" on blockchain for deliveries

GET YOUR
30%
BONUS

Buy

ge

U.S. Investigating Mysterious Cryptocurrency Tether and Bitfinex Exchange

Explore



(<https://www.inverse.com/innovation>)

The Flow of Elon Musk's Roadster Looks Like a Real B...
(<https://www.inverse.com/article/when-will-elon-musk-roadster-crash-into-earth>)

By Alasdair Wilkins (<https://www.inverse.com/user/137-alsadair-wilkins>) on January 31, 2018 (<https://www.inverse.com/archive/february/2018/innovation>)

Filed Under Bitcoin
'Alto's Odyssey' Creators Reveal Why It's iPhone Gam...
(<https://www.inverse.com/article/alto-odyssey-iphone-gaming>)



& Money

What's Really Stopping Big
Automakers from Catching Up?

(https://www.inverse.com/topic/money)
(https://www.inverse.com/article/tesla-chevrolet-ford-toyota-electric-cars)

The world of cryptocurrency has earned a shadowy reputation, and it's not entirely undeserved. Consider bitcoin (https://www.inverse.com/topic/bitcoin), with its anonymous founder and its early role in online black markets like Silk Road (https://www.inverse.com/article/9520-can-using-the-silk-road-get-you-arrested). But perhaps no cryptocurrency is as enigmatic as Tether, which involves \$814 million that may or may not even exist.



Here's How Much One of Tesla's
Amazing Solar Roofs A...

(https://www.inverse.com/article/litecoin-price-how-coming-litepay-launch-has-affect...)



Litecoin Price: How Coming
Litepay Launch Has Affect...

(https://www.inverse.com/article/)

BKX is listed on OKEx



According to a report published Tuesday in *Bloomberg*, the U.S. Commodity Futures Trading Commission sent subpoenas back in December to the company behind Tether as well as the Bitfinex cryptocurrency exchange. The two share a chief executive officer, though little else is certain about Tether.



How a Random Bulgarian
Playlist Made Millions by Acc...

(https://www.inverse.com/article/spotify-bulgarian-playlist-list-scam)

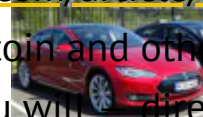


'Black Panther': Shuri Would

'Hold Her Own' Against ...

(https://www.inverse.com/article/avengers-black-panther-shuri-iron-man-tony-stark)

Since its launch in 2015, Tether has carved out a unique niche in the cryptocurrency space by offering a coin that explicitly can't experience the rapid price increases (https://www.inverse.com/article/40681-cryptocurrency-bitcoin-new-rules) that bitcoin and other tokens have. Instead, Tether is pegged — tethered, if you will — directly to the U.S. dollar, with one tether held roughly equal to one dollar. (https://www.inverse.com/article/tesla-autopilot-a-i-boost)



Tesla Autopilot is About to Get a
Major A.I. Boost

(https://www.inverse.com/article/tesla-autopilot-a-i-boost)

Instead of relying on the digital scarcity and the blockchain (https://www.inverse.com/topic/blockchain) to derive its value, Tether instead claims that every one of its coins in circulation is backed by a dollar the company holds in reserve. Since there are 814 million tethers, it follows the company must have \$814 million stashed away somewhere.



At the risk of understatement, that's quite a bit of money. (<https://www.inverse.com/topic/money>), and the company has never actually provided any concrete documentation that it has such holdings. It most recently claimed to hold \$443 million in bank accounts as of September 2017, though the specific banks were blacked out on the financial document posted to its website. The accounting firm behind that document later cut ties with Tether, with the latter claiming the audit was unnecessarily detailed and could not be completed in a reasonable timeframe.

This isn't just a question of one isolated cryptocurrency that can't back up its claims. Tether (<https://www.inverse.com/article/39221-nicehash-robbed-of-78-million-worth-of-bitcoin>) has emerged as a popular alternative to the dollar for people looking to exchange bitcoins without the hassle of transferring directly to a fiat currency, with the Taiwan-based Bitfinex exchange (<https://www.inverse.com/article/31809-bitcoin-bitfinex>) as the main hub of activity. If Tether collapses under regulatory scrutiny, that could hurt the value of cryptocurrencies like bitcoin, which are already crashing after weeks of generally bad news.

As Bloomberg notes (<https://www.bloomberg.com/news/articles/2018-01-30/crypto-exchange-bitfinex-tether-said-to-get-subpoenaed-by-cftc>), it doesn't help that neither Tether nor Bitfinex makes it easy to work out much of anything about them, with neither publicly listing who is in charge. A spokesperson revealed Jan Ludovicus van der Velde is the CEO of both companies, though he's little more than a name — or, considering it's sometimes given as Jean-Louis van der Velde, two names — and a handful of past jobs (<https://www.linkedin.com/in/j-l-van-der-velde-26a24b6/>) on a LinkedIn page.

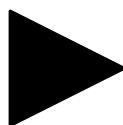
 **Dorado**
Meet the next "UBER" on
blockchain for deliveries

----- GET YOUR -----
30% BONUS

Buy tokens
get 30% bonus

The Commodity Futures Trading Commission declined to comment to *Bloomberg* and likely won't have anything to say until its investigation is concluded. What it turns up could prove the cryptocurrency world, for all its secrets, is more reliable than its detractors give it credit for — or shake the entire edifice (<https://www.inverse.com/article/40718-facebook-bans-cryptocurrency-ads>) to its core.

Hello! You've made it to the end of the article. *Nice*. Here's a related video you might like: "How Ripple Works"



Photos via [Flickr / Jim Makos](https://www.flickr.com/photos/70764453@N02) (<https://www.flickr.com/photos/70764453@N02>)

Written by [Alasdair Wilkins](https://www.inverse.com/user/137-alasdair-wilkins) (<https://www.inverse.com/user/137-alasdair-wilkins>)

More articles by [Alasdair](https://www.inverse.com/user/137-alasdair-wilkins) (<https://www.inverse.com/user/137-alasdair-wilkins>) • [Facebook Page](https://www.facebook.com/alasdairwilkinswrites) (<https://www.facebook.com/alasdairwilkinswrites>) • [Twitter](https://twitter.com/alasdairwilkins) (<https://twitter.com/alasdairwilkins>)



tweet



share



Comments

([https://www.facebook.com/dialog/share?](https://www.facebook.com/dialog/share?app_id=1452605975051281&display=popup&href=https%3A%2F%2Fwww.inverse.com%2Ftopic%2Fbitcoin)

<https://www.inverse.com%2Ftopic%2Fbitcoin>

Innovation

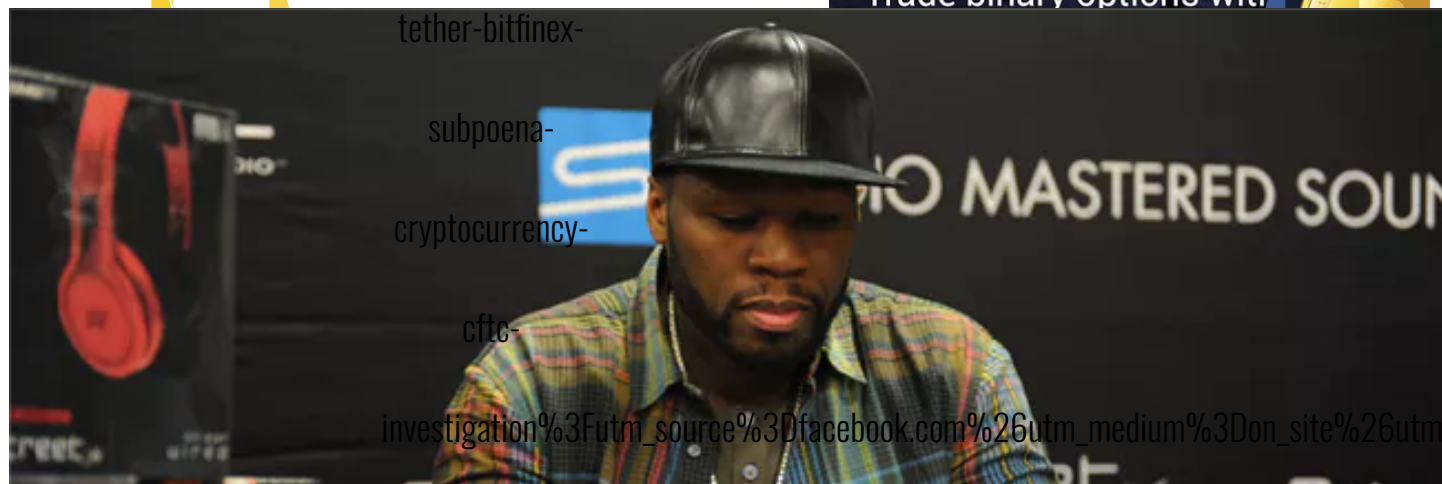
Bitcoin

(<https://www.inverse.com%2Ftopic%2Fbitcoin>)

Ad

Trade binary options with

f share this



Et Tu, 50 Cent? ^{footer)} Rapper Says Under Oath He Doesn't Actually Have Any Bitcoin

This is nothing short of a travesty.

By [Danny Paez](https://www.inverse.com/user/266-danny-paez) (<https://www.inverse.com/user/266-danny-paez>) on

February 26, 2018

(<https://www.inverse.com/archive/february/2018/innovation>)

Filed Under [Cryptocurrency](https://www.inverse.com/topic/cryptocurrency)

(<https://www.inverse.com/topic/cryptocurrency>)

[Cryptocurrency](https://www.inverse.com/topic/cryptocurrency) (<https://www.inverse.com/topic/cryptocurrency>)

enthusiasts and early 2000s rap fanatics have all been duped by none other than Curtis Jackson, better known by his rap alias 50 Cent.

In January, news broke that the [hip-hop](https://www.inverse.com/topic/hip-hop)

(<https://www.inverse.com/topic/hip-hop>) mogul had [conveniently](https://www.inverse.com/article/40498-bitcoin-price-50-cent-cryptocurrency-millionaire)

[“forgotten”](https://www.inverse.com/article/40498-bitcoin-price-50-cent-cryptocurrency-millionaire) (<https://www.inverse.com/article/40498-bitcoin-price-50-cent-cryptocurrency-millionaire>) about an online wallet full of approximately

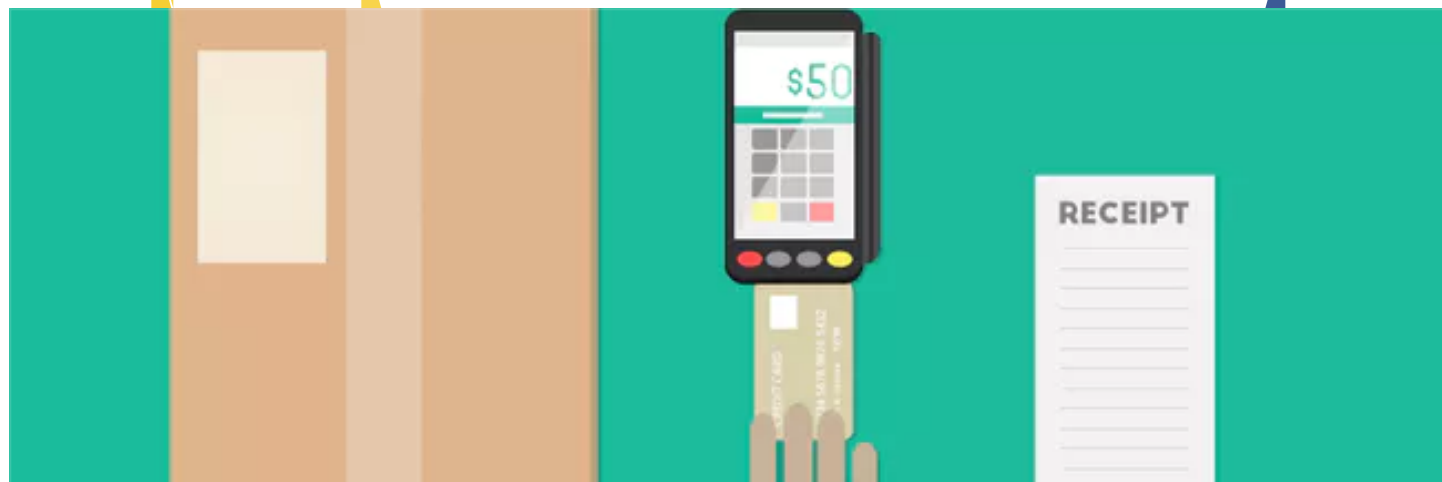
700 bitcoin (<https://www.inverse.com/topic/bitcoin>) tokens, which he had received as payment for his 2014 album *Animal Ambition*.



✓ Continue Reading

Innovation (<https://www.inverse.com/topic/innovation>) Cryptocurrency (<https://www.inverse.com/topic/cryptocurrency>)

 share this



LitePay is Launching Today, But What Does That Actually Mean?

The payment processor's launch is more complicated than expected.

By [Danny Paez](https://www.inverse.com/user/266-danny-paez) (<https://www.inverse.com/user/266-danny-paez>) on

February 26, 2018 (<https://www.inverse.com/archive/february/2018/innovation>)

Filed Under [Bitcoin](https://www.inverse.com/topic/bitcoin)

(<https://www.inverse.com/topic/bitcoin>)

& [Money](https://www.inverse.com/topic/money)

(<https://www.inverse.com/topic/money>)

[LitePay \(https://www.inverse.com/article/41598-litecoin-price-litepay-launch-has-affected-cryptocurrency-value\)](https://www.inverse.com/article/41598-litecoin-price-litepay-launch-has-affected-cryptocurrency-value), a [Litecoin \(https://www.inverse.com/article/41574-litecoin-cash-price\)](https://www.inverse.com/article/41574-litecoin-cash-price) payment processor is slated to launch Monday night at 9 p.m. Pacific time. But it's already gotten a little complicated for the new service.

On the day of its release, LitePay sent an email to its mailing list subscribers saying that it will delay its card registration process indefinitely because of “hostile actions by card issuers towards crypto companies.”

✓ Continue Reading